Transit Oriented Development (TOD) and Development Oriented Transit (DOT) – Linking Green Transit Systems, Housing, Jobs, Climate, Energy and Affordability

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Problem: America will grow by 90-100 million people over the next 40 years. If we continue to grow by sprawl, we will destroy our environment, fail to achieve climate change goals, and burden the poor and middle class with extraordinary transportation expenses.
Working class Americans now often spend more on transportation costs then they do on housing (source: Center for Neighborhood Technology) When one combines the energy used to heat, cool and power a home with the energy to get to and from it, a suburban single family home consumes four times as much energy as a green transit accessible multifamily home (source: Jonathan Rose Companies) Studies show that transit oriented development would significantly reduce climate impacts (source: Growing Cooler- Urban Land Institute)

The solution is green transit oriented development (TOD) and Development oriented Transit (DOT) The solution must be systemic.

Systemic Solution: To enhance America's global competitiveness, energy security, regional prosperity and quality of life, we need a comprehensively planned, integrated, national freight, inter city passenger and commuter transit system. This system must be thought of as a whole system, not a series of unintegrated parts.
For example, is a road rebuilding project that provides a Bus Rapid Transit (BRT) lane, a bike lane and a sidewalk that connects a residential neighborhood to a school to a town center and a transit line a road improvement or a transit improvement? It is actually a systemic mobility improvement that increases transporation options. We thus need to break down the old "transit vs Roads" paradigm and look at an integrated system.

Scale: To plan an integrated system, we need a national infrastructure policy that integrates freight and transit systems, energy systems, data/ telcom systems, water and waste water system at National, Regional and local scales.

Components: Buildings and Transit: The function of transit is to move people and goods from place to place. Thus, a transit system, and in fact, all infrastructure systems are only as useful as their connections to the places people go to live, shop, work and obtain social, cultural and educational services. Our current housing policy and transit policy's are totally independent, with new transit often leading to large parking lots rather then places and people. Thus, the capacity of the system, and its value is capped by the number of its parking spaces. It as though a human body was designed with arteries that were not connected to the organs it serves.

Transit Oriented Development: Transit Oriented Development is typically defined as development within a quarter to a half a mile of a transit stop, whose design is *oriented*

toward improving access to and use of transit. The development orients to transit by enhancing safe pedestrian and shared vehicle connections to transit. To provide the transit system with sufficient ridership, the development needs to be dense and there needs to be a mix of uses along the system.

Development Oriented Transit(DOT): Transit systems must be oriented to serve the places people live work, shop and educate.
New transit systems must be designed to connect existing development, and to accommodate appropriate new development. Programs should be created to support the retrofitting of existing transit to make it more development friendly. The DOT (Dept of Transportation) should rebrand itself as providing development oriented transit (DOT). Guidelines should be developed to encourage DOT.

Last Mile Systems/ connection: New rail transit systems alone will not provide sufficient service to our population, nor accommodate our projected population growth. In addition to fixed transit systems, we need to plan and fund extensive " last mile" connections to provide more transportation choices to existing and new development by easing multi-modal transfers, providing bike storage, bike and connections to walking paths, car shares, mini van, bus, Bus Rapid Transit (BRT) and other systems.

Smart Streets: DOT highway/road funds should be prioritized to build and re-build smart streets, streets that integrate multiple transporation modes such as cars, bus's , bus rapid transit, bikes, walking, hov vehicles, storm water absorption etc.

Green Affordable TOD Housing: Low, moderate and middle income families spend between 54 and 64% of their income on their combined housing, energy and transportation costs, often spending more on transportation then housing. Locating affordable housing within walking distance to affordable transit is essential so that lower income families are able to invest their income in education, healthcare or savings. For example, working class residents of New York City spend 9% of their income on transportation, while working class residents of Sand Diego California spend 31% of their income on transportation, 22% more. Transit accessible affordable housing also provides families with greater access to employment and educational opportunities.

Green housing is healthier its residents, those who make the materials it is made of, and uses less energy. (Enterprise Green Communities program)

When determining housing affordability, we should not only look at household income , but also energy costs and transit costs, and incentivise green affordable TOD.

Mobility for young and old: Many of our young and older citizens lack mobility options, and are totally dependent upon others driving them places. Residents of TOD's can easily travel to a wider range of life time education, shopping and recreation.

Greenhouse Gas Reduction: 33% of America's greenhouse gas's are generated by the transportation sector.42% of greenhouse gasses are generated by buildings or the utilities feeding buildings. Thus, the combination of buildings and transporation, which is used to get to and from our buildings, generates 75% of our nation's greenhouse gas's. Concentrating future growth into transit served Smart Growth patterns constitutes a whole "wedge " of greenhouse gas reduction and insulating our buildings and investing in building energy efficiency constitutes another wedge (NRDC). The combination of reducing energy use in buildings by solutions as simple as insulation, and in the transportation sector by increasing transit options create jobs in the near term, but are valuable investments that will pay back for decades to come, while reducing our greenhouse gas emissions.(see ULI's publication " Growing Cooler" for the relationship between smart growth and greenhouse gas reduction) One measure of the climate effectiveness of transportation policy is the reduction of vehicle miles travelled (VMT)

Econonic Prosperity: We should view Federal funds allocated to housing and infrastructure as investments, not spending. We should thus prioritize these investments to those locations in which we are likely to generate the highest returns on investment, otherwise our deficit will continue to grow. 75 Per cent of America's economic activity is generated in America's top 100 metropolitan regions. By focusing our Federal Investments in housing and infrastructure in our denser our metropolitan regions, we create more jobs, greater economic return and lower environmental impacts for each dollar we invest.

Linking Housing and Transit Policy and Funding: Many communities are eager for transit funds to build light rail and street car systems. However, current DOT cost / benefit standards encourage park and ride systems, which tend to be sprawl extenders. Dot should require communities to commit to provide appropriate zoning to support dense, mixed income, green housing or mixed use development in transit locations as part of New Starts applications In most cases, pure park and ride transit systems should be discouraged. DOT should work with HUD and Treasury to prioritize the allocation of CBDG, HOME and other grant programs, low income housing and new market tax credits and tax exempt bonds to support the development of Transit Oriented Development and supporting infrastructure adjacent to existing transit (ie, transforming park and ride lots). The USGBC's LEED ND might serve as a standard for measurement for such a program.
The T-4 Bill should also provide new funding sources for transportation enhancements, to support the costs of parking garages , water, sewer and other added infrastructure costs required to make TOD's viable.

Housing Finance Programs: HUD credit enhancement programs should give priority to developments that create more dense development patterns and reduce Vehicle Miles Travelled (VMT). Grants and Mortgage guarantees from all federal credit enhancement programs such as FHA, Fannie Mae and Freddie Mac should be awarded on a competitive basis, and additional points should be given for development in transit oriented, downtown or walkable locations (although a portion of federal support is needed for rural and Indian housing). HOME and CDBG programs should be increased

for those communities that provide appropriate urban infill transit oriented and brownfield redevelopment incentives and zoning.

Treasury programs that encourage development such as the Low Income Housing Tax Credit, the New Markets Tax Credit and the Community Reinvestment Act should all have transit orientation, and discourage the funding of projects that increase VMT. Other agency programs, such as the EDI and BEDI should also carry a VMT reduction priority.

Cost per unit limits, parking requirements and other barriers should be adjusted to accommodate the lower parking needs and higher costs of urban and TOD sites. Parking infrastructure funds should be available to serve those in existing homes that must drive to transit.

To increase the ability to create rental affordable housing at transit locations (as these are usually high cost locations), the Low Income Housing Tax credit Program (LIHTC) should be amended to provide a 50% basis boost for LIHTC projects that are adjacent to transit at sufficient density. This would increase density and help affordable housing developers cover increased construction costs at transit stations, and deal with the decline of LIHTC cents per dollar due to the withdrawal of the GSE's from the market. This policy would be in addition to the 1.3 basis increase that the LIHTC program already provides for difficult development areas. Treasury should also support TOD development.

To provide credit enhancement for mixes of uses, existing HUD credit enhancement programs should permit projects at TOD sites to be able to count a higher percentage of parking and commercial income (currently limited to 10% by regulation, but we believe authorized to fund up to 49%, except for the 220 program) in the calculation of mortgage size, in effect stimulating mixed use development by regulatory change. In addition, a mixed use credit enhancement program should be developed, particularly one that encourages the development of social service, health service, educational or cultural uses in conjunction with housing.

A federal affordable homeownership tax credit program should be created with a priority of encouraging the development of affordable homeownership housing at transit stations. The homeownership tax credit program could be similar to the existing LIHTC rental program and should provide equity to developers or homebuilders who build for-sale condominiums and town houses for individuals earning 80% to 120% of the Metropolitan Area Median Income. There are currently no federal incentives for developing affordable homeownership housing and entities like Fannie Mae should be required to set aside a significant amount of their income to purchase such homeownership tax credits. Such affordable housing should be permanently deed restricted. The program should include a provision that caps the increase in home value to the increase in the consumer price index. Units financed with homeownership tax credit equity should be resold to families meeting the program's affordability criteria in perpetuity.

Planning: the T-4 bill should provide funding and incentives for transit agencies to work collaboratively with communities to develop Transit/Mixed-Use (TMU) zoning districts in the areas adjacent to transit stations, and to those communities that are on feeder routes to transit stations.

HUD, EPA or the Department of Agriculture should provide planning grants and incentives for states, regions and communities to adopt urban growth boundaries and to enact legislation that protects open space and promotes the transfer of development rights from agricultural land, environmentally sensitive areas or open spaces to denser city or town centers and transit nodes.

The proposed National Infrastructure Bank should be approved and funded.

Freight and Waste: Transportation and development plans to need to integrate the movement and freight and waste as well as people

Greening Transit Systems Expanding transit systems is essential to reduce a region's climate impacts, but we also need to green the transit systems itself. DOT should work with APTA, the MTA and others to create a "LEED for Transit"- a rating systems to measure a transit system's environmental performance. DOT should then both support the greening of existing and new transit with grants and loans for the purchase of hybrid bus's, more efficient trains etc. DOT should work with DOE to provide electric powered transit systems with green power. Once these systems are in place, then DOT should require meeting minimum green and carbon reduction standards as a precondition for DOT funding. DOT also needs to do a thorough review of its own policies that inhibit carbon reduction strategies, such as required minimum weights for passenger trains.